

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA : DATE FILED:

v. : CRIMINAL NO:

WILLIAM PAIGE : VIOLATIONS: 18 U.S.C. §1343
XAVIER BEY (Wire fraud - 3 counts)
: 18 U.S.C. §1344
(Bank Fraud -5 Counts)
: 18 U.S.C. §1028(a)(7)
(Identity Theft - 2 counts)
: 18 U.S.C. §2
(Aiding and Abetting)

INDICTMENT

COUNT ONE

THE GRAND JURY CHARGES THAT:

INTRODUCTION

At all times material to this indictment:

1. Defendant WILLIAM PAIGE held himself out as a real estate investor and investment counselor.
2. Defendant XAVIER BEY held himself out as a real estate purchaser and real estate investment counselor, and conducted his business through his company, Nationwide Properties, in Philadelphia, PA.
3. In or about December 1999, defendant WILLIAM PAIGE gained the confidence and friendship of an individual known to the grand jury as P.L. PAIGE helped P.L. obtain a second mortgage on P.L.'s home in California, and by doing so, gained access to P.L.'s banking records, credit history, and tax records, which included P.L.'s social security number and date of birth. PAIGE persuaded P.L. to re-register a corporation called Park 5th Avenue Corporation in

Nevada, naming P.L. as president, and to open an account at Bank of America in Las Vegas, Nevada with \$12,000 of P.L.'s own funds. PAIGE also persuaded P.L. to invest in Philadelphia real estate which PAIGE represented he would find at a fair market value on P.L.'s behalf.

4. The following banks were financial institutions, the deposits of which were insured by the Federal Deposit Insurance Corporation ("FDIC"): Commerce Bank, PNC Bank, United Bank of Philadelphia, Citibank, First Union Bank, Boardwalk Regency Commercial Bank, and Bank of America.

5. From in or about December 1999 through in or about September 2000, defendants

WILLIAM PAIGE and
XAVIER BEY

devised and intended to devise a scheme to defraud and to obtain money and property through means of false and fraudulent pretenses, representations and promises.

MANNER AND MEANS OF EXECUTING THE SCHEME

It was part of the scheme that:

6. Defendants WILLIAM PAIGE and XAVIER BEY agreed to find real estate at a fair market value to purchase on behalf of P.L., and then to secretly increase, sometimes as much as double, the purchase prices for the real estate as represented to P.L. so that they could unlawfully retain the difference between the real purchase prices and the inflated prices paid by P.L. for themselves.

7. Between in or about December 1999 and in or about February 2000, defendant XAVIER BEY entered into agreements with sellers to purchase in the name of defendant BEY's company, Nationwide Properties, four properties at or near the listing price.

These four properties were: 210 E. Gorgas Lane, owned by M.G., 1948 Hart Lane, owned by R.B., and 2618 and 2620 Wilder Street, owned by J.P.D., in Philadelphia.

8. In or about January and February 2000, at the settlements for each of the four properties listed in paragraph 7 above, defendant XAVIER BEY caused his name and the name of his company, Nationwide Properties, to not be listed in any of the closing documents. Instead, BEY caused the closing documents to appear as a direct sale from the sellers to P.L., represented by defendant WILLIAM PAIGE as her power of attorney. Defendant XAVIER BEY also caused the purchase price for the real estate in the closing documents to not reflect the price BEY and the sellers had agreed upon but to have listed a much higher sale price, sometimes double that which was agreed upon.

9. In order to obtain the mortgages at the inflated prices for the properties described in paragraph 7 above, defendant WILLIAM PAIGE submitted documents in which he substantially inflated the true income of P.L. by stating that P.L. received approximately \$14,000 per month in income as a “consultant” for “Park Fifth Corporation.” PAIGE also submitted false and fraudulent corporate tax returns for tax year 1998 claiming that Park Fifth Corporation had over \$4,000,000 in gross income. In fact, in 1998 the company had no income and paid no income to P.L.

10. Although defendant XAVIER BEY’s name did not appear on any of the real estate closing documents, BEY obtained part of the proceeds from the real estate sales by instructing the settlement agent, an individual known to the grand jury as J.H., to prepare two separate checks to the sellers: one which the sellers kept, which represented the sellers’ proceeds from the sale at the sale price previously agreed upon with BEY, and one which BEY had the sellers

endorse to him, which represented the difference between the previously agreed upon price with BEY and the inflated sale price contained in the closing documents.

11. Defendant XAVIER BEY gave defendant WILLIAM PAIGE cash kickbacks for his assistance in setting up the sales to P.L.

12. Defendant BEY took refund checks issued to P.L. at the closings and then falsely endorsed, and caused to be falsely endorsed, those checks, the proceeds of which defendant XAVIER BEY kept for himself.

13. By falsely and fraudulently obtaining mortgage loans in the name of P.L. and by greatly inflating the sales prices of the properties, defendants WILLIAM PAIGE and XAVIER BEY caused the wire transmission listed below to be sent from Equity One, the mortgage lender, to Preferred Abstractors, the settlement agent, to complete the real estate settlements on the properties listed in paragraph 7 above in the name of P.L.

14. On or about February 24, 2000, in the Eastern District of Pennsylvania and elsewhere, defendants

WILLIAM PAIGE and
XAVIER BEY,

for the purpose of executing the scheme, and aiding and abetting its execution, caused to be transmitted by means of wire communication in interstate commerce signals and sounds, that is a facsimile containing loan disbursement and closing instructions for the property located at 2618 Wilder Street, sent by Equity One Inc. in Mt. Laurel, New Jersey, to Preferred Abstractors in Elkins Park, Pennsylvania, from telephone number (856) 235-7857 to telephone number (215) 782-8404.

In violation of Title 18, United States Code, Sections 1343 and 2.

COUNT TWO

THE GRAND JURY FURTHER CHARGE THAT:

1. Paragraphs 1-13 of Count One are realleged here.
2. On or about February 24, 2000, in the Eastern District of

Pennsylvania and elsewhere, defendants

WILLIAM PAIGE, and
XAVIER BEY,

for the purpose of executing the scheme, and aiding and abetting its execution, caused to be transmitted by means of wire communication in interstate commerce, signals and sounds, that is, a facsimile containing loan disbursement and closing instructions for the property located at 2620 Wilder Street, sent by Equity One Inc. in Mt. Laurel, New Jersey, to Preferred Abstractors in Elkins Park, Pennsylvania from telephone number (856) 235-7857 to telephone number (215) 782-8404.

In violation of Title 18, United States Code, Sections 1343 and 2.

COUNTS THREE THROUGH SEVEN

THE GRAND JURY FURTHER CHARGES THAT:

In or about July 2000:

1. Defendant WILLIAM PAIGE obtained four counterfeit business checks purporting to have been issued by the company, Connectiv, to various companies and individuals, with a total face value of approximately \$920,572.85, and drawn on Allfirst Financial in Wilmington, Delaware.
2. Defendant WILLIAM PAIGE obtained one counterfeit business check purporting to have been issued by the Pennsylvania State Collection and Disbursement Unit ("SCDU") made out to William Paige, in the amount of \$79,895, and drawn on First Union Bank.
3. Defendant WILLIAM PAIGE opened an investment account at Salomon Smith Barney, 1650 Market Street, Philadelphia, PA in the name of "Chase Reynolds."
4. Defendant WILLIAM PAIGE opened an investment account at Morgan Stanley Dean Witter, King of Prussia, PA in or about July 2000 in the name of "William M. Paige."

At all times material to this indictment:

5. Defendant WILLIAM PAIGE used aliases such as William Page, Chase Reynolds, and Reynolds Chase, as well as false addresses to conceal his true identity and location.
6. Morgan Stanley Dean Witter in Philadelphia, PA used Citibank in New York, New York for all its deposits.
7. Salomon Smith Barney in Philadelphia, PA used PNC Bank in Pennsylvania for

all its deposits.

8. From in or about July through in or about September 2000, defendant WILLIAM PAIGE, and others at his direction, presented the four counterfeit Connectiv checks and the one counterfeit Pennsylvania SCDU check for payment at the financial institutions listed below, in Philadelphia, Pennsylvania, knowing that the checks were false and fraudulent, and that the financial institutions would be defrauded if the checks were honored.

9. On or about the dates described below, in the Eastern District of Pennsylvania and elsewhere, defendant

WILLIAM PAIGE

knowingly executed and attempted to execute a scheme to defraud, and to obtain monies owned by and under the custody and control of the below listed banks by means of false and fraudulent pretenses, representations and promises:

COUNT	DATE	FRAUDULENT CHECK	AMOUNT	FALSE REP- RESENTAT ION
3.	7/20/00	Connectiv check no. A099205 made out to Reynolds Properties	\$289,755.11	Counterfeit Check Presented to Salomon Smith Barney, PNC Bank

COUNT	DATE	FRAUDULENT CHECK	AMOUNT	FALSE REP- RESENTATION
4.	7/20/00	Connectiv check no. R049176 made out to Reynolds Properties	\$322,159.08	Counterfeit Check presented to Salomon Smith Barney, deposited to Smith Barney account at PNC Bank, in Philadelphia, PA
5.	7/26/00	Connectiv check no. D09972 made out to Berrian & Associates	\$128,776.31	Counterfeit Check presented to United Bank of Philadelphia- account of R.B.
6.	7/28/00	Connectiv check no. AO99105 made out to LPCI Financial	\$179,882.35	Counterfeit Check presented to Commerce Bank- account of "LPCI" in Philadelphia, PA
7.	9/11/00	Pa. SCDU check no. 7587008 made out to William Paige	\$79,895	Counterfeit Check presented to Morgan Stanley in Philadelphia, PA and deposited to their account at CitiBank in New York, NY

All in violation of Title 18, United States Code, Section 1344.

COUNT EIGHT

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1-8 of Count Three are realleged here.
2. After depositing the counterfeit check purporting to be issued by the Pennsylvania SCDU to the account defendant had opened at Morgan Stanley, defendant WILLIAM PAIGE instructed Morgan Stanley to wire-transfer \$55,000 obtained from the \$79,895 deposit to Caesar's Casino in Atlantic City, New Jersey, to be placed in an account at the casino in his name, and then defendant WILLIAM PAIGE personally claimed those funds from the casino, knowing that the check was false and fraudulent.
3. From in or about July 2000 through in or about September, 2000, defendant
WILLIAM PAIGE
devised and intended to devise a scheme to defraud and to obtain money and property through means of false and fraudulent pretenses, representations and promises.
4. On or about September 20, 2000, in the Eastern District of Pennsylvania
and elsewhere, defendant
WILLIAM PAIGE,
for the purpose of executing the scheme, and aiding and abetting its execution, caused to be transmitted by means of wire communication in interstate commerce the signals and sounds described below:

TRANSFER

Wire transfer of \$55,000
from Morgan Stanley
account number
616-020899-067, from
Citibank, in New York, NY,
based upon instructions
from the defendant to the
Philadelphia, PA office of
Morgan Stanley

TO

Boardwalk Regency Commercial
Bank account number 8101101667
for the account of William Paige at
Caesar's Casino in Atlantic City.
New Jersey

In violation of Title 18, United States Code, Section 1343.

COUNTS NINE AND TEN

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1-4 and 6-13 of Count One are realleged here.
2. On or about the dates listed below, in the Eastern District of Pennsylvania and elsewhere, defendant

WILLIAM PAIGE

knowingly used, in and affecting interstate commerce, without lawful authority, the name and social security number of P.L to obtain mortgage loans from Equity One Mortgage Corporation in the name of P.L., without the knowledge and permission of P.L., with the intent to commit unlawful activity that constituted a violation of federal law, that is wire fraud, in violation of Title 18, United States Code, Section 1343:

<u>COUNT</u>	<u>PROPERTY PURCHASED</u>	<u>DATE OF OFFENSE</u>
9.	2618 Wilder Street, Philadelphia, PA	In or about February 2000
10.	2620 Wilder Street, Philadelphia, PA	In or about February 2000

All in violation of Title 18, United States Code, Section 1028(a)(7).

A TRUE BILL:

GRAND JURY FOREPERSON

PATRICK L. MEEHAN
United States Attorney